

No. 11940

IN THE

United States Circuit Court of Appeals
FOR THE NINTH CIRCUIT

LANE BRYANT, INC.,

Appellant,

vs.

MATERNITY LANE LTD., OF CALIFORNIA, a corporation,
JACK LANE, JR., JANE LANE and LUCILLE LANE,

Appellees.

OPENING BRIEF FOR APPELLANT.

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JACK LANE, JR., JANE LANE and LUCILLE LANE,

Appellees.

OPENING BRIEF FOR APPELLANT.

This appeal is from a final judgment of the District Court for the Southern District of California, Central Division, the Hon. Peirson M. Hall, Judge presiding. The judgment dismissed, for failure to state a claim, appellant's complaint seeking an injunction against trademark infringement and unfair competition [Tr. 50]. This appeal is also taken against the order of the Court denying appellant a preliminary injunction [Tr. 49].

Statement as to Jurisdiction.

Appellant Lane Bryant, Inc., is a corporation organized and existing under the laws of the State of Delaware [Tr. 2]. Appellee Maternity Lane Ltd. of California is a corporation organized under the laws of the State of California [Tr. 2]. The individual appellees are citizens of California [Tr. 2]. The matter in controversy exceeds

\$3,000 [Tr. 3, 4, 5]. These facts, appearing in the complaint, gave the District Court jurisdiction under section 24 of the Judicial Code (28 U. S. C. A., sec. 41(1)).

The jurisdiction of this Court to review the said decree rests upon section 128 of the Judicial Code (28 U. S. C. A., sec. 225) and notice of appeal duly filed [Tr. 51].

Statement of the Case.

PREFATORY STATEMENT.

Summarily stated, the complaint alleges:

Appellant, Lane Bryant, Inc., and its predecessors in interest, have done a large business by mail order and retail stores, specializing in maternity clothes, since 1900 [Tr. 3, 4]. In excess of \$40,000,000 have been expended by appellant in advertising its business under the name "*Lane Bryant*," and for mail order catalogues under the name "*Lane Bryant*." As a result, the words "*Lane Bryant*," in conjunction with "Maternity" and "Mothers-to-be" or similar words, refer in the public's mind to appellant [Tr. 5].

Since March 1946 appellees have done business under the name "*Maternity Lane, Ltd.*" by retail and mail order, printing that name in a script resembling that used by appellant, and using similar advertising expressions. Appellees' object is to pass themselves off as being connected with appellant and to cause the public to believe that appellant's goods can be bought from appellees.

Injunctive relief is sought against this conduct.

This complaint was dismissed for failure to state a claim upon which relief might be granted.

A motion for preliminary injunction was filed by appellant [Tr. 9], and affidavits in support and in opposition

thereto [Tr. 10 through 32]. It was denied: in view of the dismissal, it could not, of course, have been granted.

Our basic contentions are:

- (a) This complaint states a cause of action, and
- (b) The preliminary injunction should have been granted.

DETAILED STATEMENT.

Appellant by its complaint filed October 2, 1947, alleges, *first*, as to its own history and activities [Tr. 2 through 5 inclusive]:

Appellant Lane Bryant, Inc., succeeded in 1920 to the business, goodwill and trade-marks of a New York Corporation of the same name, which in turn had in 1916 acquired the business, goodwill and trade-marks of an enterprise established by Lane Bryant, an individual, in 1900. From its inception this business specialized in maternity apparel, and apparel for stout women. For many years it had been extensive, in retail stores and departments, and, in addition, an extensive mail order business in the United States and Canada has been done under the name "*Lane Bryant*." Appellant operates seven stores directly or through wholly owned subsidiaries under the name *Lane Bryant* in New York, Brooklyn, Chicago, Philadelphia, St. Louis, Des Moines and Baltimore. In addition, wholly owned subsidiaries of appellant operate stores in which there are Lane Bryant departments in Cleveland, Ohio; St. Paul, Minn.; Oshkosh, Wis.; Green Bay, Wis.; Davenport, Ia.; Des Moines, Ia.; South Bend, Ind.; Springfield, Kankakee, Rockford, Waukegan and Decatur, Ill.

Commencing in 1911 "*Lane Bryant*" was used in this business as a common law trade-mark. Application for

registration thereof was filed in the United States Patent Office on October 20, 1927, and issued as Trade-mark No. 238911 in 1928.

Since 1916 appellant and its predecessors have expended approximately \$33,000,000 in advertising its retail and mail order business under this name and in advertising its trade-mark "*Lane Bryant*" in newspapers and magazines throughout the United States. In addition, appellant and its predecessors have expended approximately \$10,000,000 over the same period of years in connection with its mail order catalogues. From the year 1938 through the spring of 1947 more than 50,000 of said mail order catalogues were mailed to customers of appellant in California.

In its advertising of maternity apparel appellant has stressed the word "Maternity," the phrase "Mothers-to-be" or the phrase "Mother-to-be," and has used this language continuously in association with appellant's corporate name and trade-mark. Appellant has become permanently identified in the public mind as a specialist in maternity apparel, and the name "*Lane Bryant*," the word "Maternity" and the phrase "Mother-to-be," when used in conjunction with "*Lane Bryant*," or a similar name, have acquired a secondary meaning throughout the United States whereby the combination is referred to and understood to mean the appellant. Appellant has acquired a high reputation in its field and a goodwill worth greatly in excess of \$1,000,000.

It is alleged, *second*, as to appellees' acts that [Tr. 6 through 8]:

In March 1946 appellees Maternity Lane Ltd. of California established and thereafter operated a retail store for the sale of maternity apparel. This store is located

on the ground floor of 3837 Wilshire Boulevard, Los Angeles, California. The store maintains a large neon sign and also a sign in its window containing the words "Maternity Lane" written in a script closely resembling appellant's trade-mark and corporate name. Shortly thereafter appellees commenced to solicit mail order business for such apparel throughout the United States by means of an advertising program in nationally circulated magazines, as well as in Los Angeles papers.

By adopting and exploiting the name "*Maternity Lane*" appellees are endeavoring to pass themselves off as being connected with appellant, and to cause the public to believe that maternity apparel sold by appellant can be purchased at the retail store of appellees or by mail order from them. They have copied and repeatedly used the phrase "Mother-to-be," and on at least one occasion copied the phrase in the identical script used by appellant. Appellees' intent was to appropriate the appellant's goodwill by simulating its corporate name and trade-mark and by imitating appellant's distinctive advertising and slogans for the purpose of thereby unlawfully diverting appellant's customers and business to appellees.

Appellant has protested to appellees against the use by them of the name "*Maternity Lane Ltd.*" and the simulation of appellant's corporate name and trade-mark. Appellees refused to discontinue the use thereof, and thereafter intensified their simulation of appellant's corporate name and trade-mark.

The foregoing are the allegations of appellant's complaint upon which an injunction was sought.

The following is the situation with respect to the application for a preliminary injunction:

Together with the complaint appellant filed an affidavit [Tr. 10] and a notice of motion for preliminary injunction [Tr. 9]. The affidavit set forth the same material alleged in the complaint in greater detail, with numerous Exhibits relating to instances of the alleged infringement of trade-mark and unfair competition. The affidavit was, of course, filed solely in support of the application for preliminary injunction. On October 17, 1947, appellees filed a notice of motion to dismiss for failure to state a claim upon which relief could be granted [Tr. 22]. Various affidavits were filed on behalf of appellees generally tending to controvert appellant's allegations [Tr. 23 *et seq.*]. Certain supplemental affidavits were filed on behalf of appellant [Tr. 31]. All of appellant's affidavits were entitled "Affidavits in Support of the Motion for Preliminary Injunction" [Tr. 10, 21, 31, 33], and were not filed with respect to the motion to dismiss. Appellees' affidavits purported to be filed both in opposition to the motion for preliminary injunction and in support of the motion to dismiss.

The Court's action was in all respects adverse to appellant. The motion to dismiss was granted and the preliminary injunction denied. A brief memorandum opinion was filed. Findings were made with respect to the denial of the preliminary injunction.

It appears to us that the following questions arise:

1. Does the complaint state a cause of action for unfair competition?
2. Does the complaint state a cause of action for infringement of trade-mark?
3. Did the District Court err in denying appellant's motion for preliminary injunction?

Summary of Argument and Specifications of Error.

We contend that the trial court erred in dismissing the complaint in that:

1. In deciding the motion to dismiss, which went only to the sufficiency of the complaint, the Court considered, in addition to the complaint, the various affidavits on file. The affidavits were properly before the Court only on the question whether a preliminary injunction should be granted. Appellant did not submit the cause to a trial on affidavits.

2. The complaint stated a claim upon which relief might be granted, for the following reasons:

(a) The complaint alleged an intentional effort to pass off appellees' goods as those of appellant. Under the law of California, which governs, such conduct is unfair competition.

(b) Under the allegations of the complaint, appellant could prove that appellees' conduct was reasonably apt to cause confusion in the mind of the public between appellant and appellees. Under the law of California, such conduct is unfair competition.

(c) Under the complaint appellant could prove an infringement of appellant's trade-mark. The question of infringement cannot be determined by a mere comparison of the names, on the pleadings: the question of infringement is one of fact, to be determined on the trial by the evidence as to danger of, or actuality of confusion.

(d) The fact that the individual appellees' names are "Lane" does not prevent relief, where fraud is alleged, or actual danger of confusion may appear from the proofs; moreover, appellees have not used their own name as such, but rather have used it in an artificial sense.

3. The trial court erred in denying the preliminary injunction:

The trial court was compelled to deny the preliminary injunction by its decision to dismiss the case, and therefore was precluded from exercising its proper discretion on this score. Hence this order should also be reversed.

ARGUMENT.

I.

The Complaint States a Cause of Action for Unfair Competition and the Motion for Dismissal Must Be Decided Upon the Complaint Alone.

A.

The Motion to Dismiss for Failure to State a Claim Goes Solely to the Sufficiency of the Complaint.

The trial court appears to have assumed that on motion to dismiss it was free to consider the case as submitted for decision upon the complaint and the affidavits filed by all parties. In its Minute Order it stated [Tr. 34]:

“From the complaint and *affidavits on file*, I cannot see the slightest possibility of a misleading or deceptive statement, insofar as the plaintiff’s name or business is concerned, in either the name of the defendants, or the use by the defendants in their business of the words ‘maternity,’ ‘mother,’ ‘mother-to-be,’ ‘mother-hood,’ or the picture of a ‘stork,’ or the picture of a clothed pregnant woman. Both the words and the ideas back of them have been so long in the public domain, as well as the use of special clothing during pregnancy, as to preclude relief under the plaintiff’s complaint, or the motion for temporary restraining order and the affidavits filed. Nor does the use of the word ‘Lane’ by the defendant indicate any basis for relief under plaintiff’s complaint *and affidavits.*”
(Italics added.)

But a motion to dismiss does not submit a case for decision on affidavits. A motion to dismiss admits all facts alleged in the complaint (*Simmons v. Peary-Walsh Lbr. Co.* (C. C. A. 5), 113 F. (2d) 812). The allega-

tions of the complaint, though denied, must be taken as true (*Alston v. School Board of Norfolk* (C. C. A. 4), 112 F. (2d) 992). The pleading must be construed in the light most favorable to the appellant (*Abel v. Munro* (C. C. A. 2), 110 F. (2d) 647). And affidavits, such as were before the court in the present case, may not be considered on such a motion.

In *Land v. Dollar*, 330 U. S. 731, 67 S. Ct. 1009, 91 L. Ed. Adv. Op. 903, the Supreme Court stated (per Douglas, J.):

“In passing on a motion to dismiss because the complaint fails to state a cause of action, the facts set forth in the complaint are assumed to be true and affidavits and other evidence produced on application for a preliminary injunction may not be considered.” (Note 4, 330 U. S. at 735, 67 S. Ct. at 1011.)

In *Polk Co. v. Glover*, 305 U. S. 5, 59 S. Ct. 15, 83 L. Ed. 6, the Supreme Court stated:

“We are of the opinion that the District Court erred in dismissing the bill of complaint. Plaintiffs did not submit the case to be decided upon the merits upon the bill, answers and affidavits. Defendants’ motion to dismiss, like the demurrer for which it is a substitute (Equity Rule 29, 28 U. S. C. A. following section 723) was addressed to the sufficiency of the allegations of the bill. For the purpose of that motion, the facts set forth in the bill stood admitted. For the purpose of that motion, the court was confined to the bill and was not at liberty to consider the affidavits or the other evidence produced upon the

application for an interlocutory injunction. But the findings of the court indicate that that evidence, in part at least, underlay the final decree it entered.” (305 U. S. at 9, 59 S. Ct. at 17.) (Italics added.)

The judgment was reversed.

In each of those cases, there was an application on plaintiff's part for a preliminary injunction, supported by affidavits, and opposed by defendant's affidavits. In each case there was also a motion to dismiss, and the trial court considered the affidavits, as in our case, instead of confining itself to the complaint, in determining the motion, as the Supreme Court held that it must. In each case this error was held to require a reversal.

B.

Adoption of a Name Similar in Part, and of Similar Advertising Methods, for the Purpose of Passing One's Goods as Those of Another, Is Actionable.

The complaint alleges a fraudulent attempt by appellees to appropriate appellant's business. It states in paragraph XIV:

“By the adoption and exploitation of the corporate name ‘Maternity Lane Ltd. of California,’ which the defendants frequently shorten to ‘Maternity Lane Ltd.,’ defendants in the conduct of their business are endeavoring to pass themselves off as being connected with plaintiff in a manner and with the intent to deceive the public, and to cause the public to believe that maternity apparel sold by plaintiff can be purchased at the retail store of said defendant or by mail order from it. As an illustration of defendants' conduct, they have copied and repeatedly used the phrase ‘Mother-to-be’ and in at least one instance,

which has come to plaintiff's attention, an advertisement of the corporate defendant copied said phrase in the identical script which plaintiff had developed and adopted therefor."

It states in paragraph XVI:

"The acts of defendants which are complained of herein were done in violation of plaintiff's exclusive right to its trade-mark 'Lane Bryant' used in connection with plaintiff's sale of maternity apparel, and with a fraudulent and unlawful intent and design to appropriate the plaintiff's good will by simulating its corporate name and trade-mark and by imitating plaintiff's distinctive advertising and slogans, all for the purpose of thereby unlawfully diverting plaintiff's customers and business to the corporate defendant."

It states in paragraph XVII:

"Unless defendants are immediately restrained in accordance with the prayer of this complaint, plaintiff will be irreparably damaged and the public will be deceived and defrauded as hereinabove alleged."

Summarily, the complaint alleges an intentional effort, through the use of the name "*Maternity Lane*," and through use of similar advertising methods, to pass off appellees' goods as those of appellant. Unless enjoined, it is alleged, the public will be so deceived. Since the decisions in *Erie Railroad Company v. Tompkins*, 304 U. S. 64, 58 S. Ct. 817, 82 L. Ed. 1188, and *Pecheur Lozenge Co., Inc. v. National Candy Co., Inc.*, 315 U. S. 666, 62 S. Ct. 853, 86 L. Ed. 1103, questions of unfair competition must be determined by applicable state law.

The decisions in California are explicit that appellees' conduct constitutes unfair competition and is actionable.

In the leading case of *Weinstock, Lubin & Co. v. Marks*, 109 Cal. 529, 42 Pac. 142, 145, defendant adopted a name similar to that of his competitor, and designed the front of his store so as to resemble the store of his competitor. The Court stated the law as follows (pp. 539-540) :

“The fundamental principle underlying this entire branch of the law is, that no man has the right to sell his goods as the goods of a rival trader. Mr. Browne, in his work upon Trademarks, declares the wrong to be, ‘Not in imitating a symbol, device, or fancy name, for any such act may not involve the slightest turpitude. The wrong consists in unfair means to obtain from a person the fruits of his own ingenuity or industry, an injustice that is in direct transgression of the Decalogue, “Thou shalt not covet . . . anything that is thy neighbor’s.” The most detestable kind of fraud underlies the filching of another’s good name in connection with trafficking.’ *We think the principle may be broadly stated, that when one tradesman resorts to the use of any artifice or contrivance for the purpose of representing his goods or his business as the goods or business of a rival tradesman, thereby deceiving the people by causing them to trade with him when they intended to and would have otherwise traded with his rival, a fraud is committed—a fraud which a court of equity will not allow to thrive.*” (Italics added.)

This case has been cited and followed by the California Supreme Court and the District Court of Appeal on numerous occasions since the date of its decision. The principle stated therein is that “when one tradesman resorts to the use of any artifice or contrivance for the purpose of representing his goods or his business as the goods or business of a rival tradesman . . . a fraud is

committed—a fraud which a court of equity will not allow to thrive.” That is exactly the fraud in which, according to the complaint, appellees are now engaged.

The same principle is stated more compactly in the later case of *Italian Swiss Colony v. I. Vineyard Co.*, 158 Cal. 252, 110 Pac. 913, 914. The Court there said (pp. 255-256):

“That the law will afford protection against the ‘unfair competition’ of one who seeks, by imitation of label or package or by other artifice, to induce persons to deal with him in the belief that they are dealing with another, is, of course, well settled. (Citations.) All of these cases rest upon the basis of fraud. There must be the intent to deceive, or at least, the doing of things reasonably likely to deceive.”

In the present case the Court apparently assumed that because the language characteristically used in appellees’ advertising was “in the public domain,” no action would lie, though the complaint alleged that language was used to lead the public to believe that appellees were handling appellant’s goods. In California at least this is not the law.

In *Modesto Creamery v. Stanislaus Etc. Co.*, 168 Cal. 289, 142 Pac. 845, the plaintiff had used the word “Modesto” as a label for its butter. Modesto is, of course, a town in central California, and the Court recognized that the plaintiff could have no exclusive right to the use of the word “Modesto.” It was nevertheless held that the defendant could be enjoined from using that word in

such a manner as to deceive the public into purchasing the defendant's product as that of plaintiff. In this behalf, the court stated (at pp. 292-293, 142 Pac. 846):

“The relief granted by the decree does not rest upon any ownership by plaintiff of the exclusive right to the use of the word “Modesto” as a trademark. A ‘designation . . . which relates only to the . . . place where the thing is produced’ cannot be appropriated as a trademark. (Civ. Code, sec. 991.) The suit is one to restrain unfair competition. The principles involved have been declared in numerous decisions, not a few of which have been rendered by this court. In *Banzhaf v. Chase*, 150 Cal. 180, (88 Pac. 704), they are stated in the following language which, with the substitution of the word ‘butter’ for ‘bread’ (the article which occasioned the controversy in the Banzhaf case) is entirely appropriate to the case at bar. ‘The case of the plaintiffs . . . is based on fraud. It rests on the right of the plaintiffs to restrain the conduct of the defendant whereby he, in order to injure the plaintiffs and benefit himself, simulates the plaintiff’s goods, deceives the plaintiff’s patrons into the belief that his bread is that made by the plaintiffs and thereby induces them to buy his own bread instead of the plaintiffs’, thus, by fraud and deception, depriving the plaintiffs of the profits of such sales and appropriating the same to his own use. The right to prevent such an injury by injunction does not depend on the ownership by the plaintiffs of any particular word, phrase, or device, as a trademark. . . . The right of action in such a case arises from the fraudulent purpose and conduct of the defendant and the injury caused to the plaintiffs thereby, and it exists independently of the law regulating trademarks or of the ownership of

such trademark by the plaintiffs. The gist of such an action is not the appropriation and use of another's trademark, but the fraudulent injury to and appropriation of another's trade.' ”

In that case the Court relied heavily on *Banzhaf v. Chase*, 150 Cal. 180, 88 Pac. 704. In *Banzhaf v. Chase*, the plaintiff had been for many years selling a bread known as “Old Homestead” bread. The defendant was enjoined from selling another bread under the name of “New Homestead.” The Court recognized that the words “Old Homestead” might be taken to be merely descriptive of the type of bread sold. It stated (at p. 182, 88 Pac. 705):

“The words ‘Old Homestead,’ or ‘Homestead,’ may, and perhaps do, suggest that the bread on which they appear is asserted to be similar to that made in the ordinary old homestead. . . . But we may concede that the words are descriptive in character and relate to quality, and hence that, under section 991 of the Civil Code, they cannot be appropriated by any person as his own, so as to give him a right to prevent their use by another to his injury, regardless of the motives or purposes of the other in so using them.”

It then went on to say (p. 183):

“The case of the plaintiffs does not depend on their right to the exclusive use of the words in question. It is based on fraud.”

It continued with the language quoted by the Court in the preceding case, and granted the injunction desired.

Thus, under the law of California, where there is a fraudulent attempt to induce the public to believe that it

is buying the goods of one person from another, that attempt will be enjoined. It makes no difference whether or not the words copied are words "in the public domain."

The intrusion of such a question, indeed suggests that the trial court confused the law of unfair competition, with the law of trademarks, for the doctrine of unfair competition is largely concerned with, and grew out of cases where the exclusive appropriation of words, as trademarks, was not possible or not involved.

It is true, of course, that appellant's name and appellees' name are identical only in part. Partial identity is quite sufficient, however, to cause confusion of customers. "Similarity, not identity, is the usual recourse when one party seeks to benefit himself by the good name of another." (Bradley, J., in *Celluloid Mfg. Co. v. Cellonite Mfg. Co.*, 32 Fed. 97 (Circuit Court, D. New Jersey), quoted in *Weinstock, Lubin & Co. v. Marks, supra*, 109 Cal. at 537, 42 Pac. at 144.) As varying degrees of similarity may be the means of fraud, so they are equally subject to the power of a court of equity. "Equity will not concern itself about the means by which fraud is done. It is the result arising from the means—it is the fraud itself—with which it deals." (*Ibid.*, 109 Cal. at 541, 42 Pac. at 146.)

The question is not—how much do the names resemble each other; it is rather, is such resemblance as does exist the means of deception? Close resemblances have been held to establish no cause of action: relatively distant and slight resemblances have afforded relief, all depending on the proof.

Thus, in *Eastern Columbia, Inc. v. Waldman*, 30 Cal. (2d) 268, 181 P. (2d) 865, the use of the name "Western

Columbia" was enjoined upon application of "*Eastern Columbia, Inc.*"

In *Academy of Motion Pictures etc. v. Benson*, 15 Cal. (2d) 685, 104 P. (2d) 650, the plaintiff, *Academy of Motion Picture Arts and Sciences*, was granted an injunction against the use by the defendant of the name "*The Hollywood Motion Picture Academy*." In that case the businesses of the plaintiff and defendant were totally dissimilar, so that the similarity of advertising material, which, in addition to similarity of names, is charged in our case, could not exist.

In *Carolina Pines, Inc. v. Catalina Pines*, 128 Cal. App. 84, 16 P. (2d) 781, an injunction was granted to the restaurant, *Carolina Pines, Inc.*, against the use by defendant of "*Catalina Pines*."

In *Hoover Co. v. Groger*, 12 Cal. App. (2d) 417, 55 P. (2d) 529, the plaintiff, doing business under the names, "*The Hoover Company*" and "*Hoover Suction Sweeper Company*," was granted an injunction against the use by defendant of the name "*Hoover Vacuum Cleaner Repairing*."

In *Barnes v. Cahill*, 56 Cal. App. (2d) 780, 143 P. (2d) 433, the plaintiff sold weekly newspaper matrices under the name "*Hollywood Today*." The trial court found that use by defendant of the title "*This Week in Hollywood*" did not tend to mislead the plaintiff's customers. The Court, while stating that it need not determine the correctness of this decision, because reversing for other reasons, stated, "At least a finding the other way would have been well supported." The resemblance between "*Maternity Lane*" and "*Lane Bryant*," where both firms are in the "*maternity*" business is at least as great

as that between "*Hollywood Today*" and "*This Week in Hollywood*." Under the decision of the District Court of Appeal, deception as between those names was a question of fact. We have not been allowed, because of the decision of the case upon motion to dismiss, to present our evidence upon this question of fact.

In *Hoyt Heater Co. v. Hoyt*, 68 Cal. App. (2d) 523, 157 P. (2d) 657, it was held that defendant was guilty of unfair competition with plaintiff, where plaintiff used the trade names "*Hoyt Heater Company*" and "*Hoyt Automatic Water Heater Company*," and the defendant used the names "*Hoyt C. H. Co.*," "*Hoyt C. H. Automatic Water Heater Repair Service and Supply Co.*," "*A. A. Automatic Hoyt A-1 Water Heating Co.*" and "*Automatic Hoyt Hot Water Heater Repair Service Co.*" The defendant was enjoined from using the name "*Hoyt*" in a business competing with that of plaintiff, either alone or in combination with other words.

In *Physicians Electric Etc. Corp. v. Adams*, 79 Cal. App. (2d) 550, 180 P. (2d) 422, an injunction was granted in favor of *Physician's Electric Service Corp.* against the use by defendant of the name "*Physician's Electronic Service*."

In *Hainque v. Cyclops Iron Works*, 136 Cal. 351, 68 Pac. 1014, an injunction was granted in favor of plaintiff, who did business under the name of "*Cyclops Machine Works*" against the use by defendant of the name "*Cyclops Iron Works*."

Any remaining doubt that the issue is not determined by a mere inspection of the names, without the benefit of proof as to the manner in which those names were used, should be eliminated by the cases in which injunctions were not granted.

In *Dunston v. Los Angeles Van Etc. Co.*, 165 Cal. 89, 131 Pac. 115, the plaintiff did business under the name of *Los Angeles Van, Truck & Storage Company*. The defendant thereafter went into business under the name "*Los Angeles Van & Storage Company*." Those names, it will be observed, are far closer than the names in many of the cases cited above in which injunctions were granted. The court, however, pointed out that in the cases where relief was granted, such relief rested upon the pleading and proof of fraud. It stated (at pp. 94-95) 131 Pac. 117:

" . . . But, as has been intimated, relief in such cases really rests upon the deceit or fraud which the later comer into the business field is practicing upon the earlier comer and upon the public. Like all other kinds of fraud and deceit this is not presumed but must be pleaded and shown. Since plaintiff had no exclusive property right by way of trademark in the use of the name, it follows that the mere similarity of names does not establish the fraud. It must be such a misuse of the name by advertising and soliciting as amounts to fraud, and without this proof no relief may be granted. . . . "

If total similarity, in the absence of fraud, did not allow relief, how can partial dissimilarity, in the presence of fraud, preclude relief? Appellant has pleaded, and asks that it be allowed to prove, the fraud which was absent in the *Dunston* case.

Similarly, in *American Automobile Association v. American Automobile Owners Association*, 216 Cal. 125, 13 P. (2d) 707, an injunction was denied where fraud was not proved, despite the very close similarity in the names.

In *Pohl v. Anderson*, 13 Cal. App. (2d) 241, 56 P. (2d) 992, on the basis of a finding that there was no fraud, the plaintiff, operator of a "Giant Orange" dispensing booth, was denied an injunction against the use by defendant of "Jumbo Lemon," the booth being so labeled, although the defendant had a connected booth in the form of a large orange also. A like conclusion was reached on the same basis in *Excelsior C. M. Co. v. Taylor Milling Co.*, 43 Cal. App. 591, 186 Pac. 207.

As was said in *Morton v. Morton*, 148 Cal. 142, 144, 145, 82 Pac. 664, 665:

" . . . As in *Weinstock v. Marks*, 109 Cal. 529 (42 Pac. 142, 50 Am. St. Rep. 57), and *Dodge Stationery Co. v. Dodge*, 145 Cal. 380, (78 Pac. 879), the basis of plaintiffs' action is that defendant is attempting by fraudulent representations to the effect that defendant's business is plaintiffs' business to appropriate the benefit of the good-will of plaintiffs' established business."

And at page 146 (82 Pac. 666):

" . . . It is well settled that while a person undoubtedly has the right to engage in business in his own name he will not be allowed to resort to any artifice or contrivance in the use of that name for the purpose of deceiving the public as to the identity of his business or products, and that to prevent this result a certain manner of use of one's own name may in a proper case be prohibited."

The issue is not, how much or how little does appellees' name resemble that of appellant: the issue is, have appellees, by use of the name "Lane," sometimes in script lettering, in conjunction with the phrase, "Mothers-to-be,"

by coupling these together with "Maternity," attempted to deceive appellant's customers? These words, when used in combination, it is pleaded, are intimately associated with appellant [Tr. 5]. Appellant has pleaded deception is appellees' intent, and should be allowed its day in court to prove this allegation.

C.

Appellees Cannot Be Heard to Contend That Their Fraud Will Necessarily Be Unsuccessful.

The motion to dismiss, as we have seen, admits the allegations of the complaint. Appellees' position therefore must be that, although appellees have adopted the name "*Maternity Lane, Ltd.*," used a script similar to appellant's, and used advertising similar to appellant's, with the intention of passing their goods off as appellant's, no action will lie. The only conceivable argument in favor of this position is that, although appellees' intentions were fraudulent, appellees' methods were so inept that they could not possibly succeed. Under the California authorities cited above, we doubt that this defense is sufficient. With the name used by appellees *identical* in part with that of appellant, it is idle to suggest that the names have no resemblance to each other. We have found no California case holding that a deliberate and fraudulent use of a name similar to that of another, for the purpose of passing off one's goods as those of a competitor, will not be enjoined because a court may feel that it will fail. The cases cited above appear to the contrary, and the language we have already quoted would indicate that the courts will enjoin such a fraudulent attempt, without making nice inquiries into the probabilities of its success. It is not necessary, however, for the purpose of this appeal to

determine whether or not our understanding of these cases is correct, for it is perfectly clear that the courts will presume the probability of success from the attempted fraud, and that the appellees would be required strictly to prove the impossibility of their own success.

In *My-T Fine Corporation v. Samuels* (C. C. A. 2), 69 F. (2d) 76, at 77, it is stated by Judge Learned Hand that:

“. . . We need not say whether that intent is always a necessary element in such causes of suit; probably it originally was in federal courts. *McLean v. Fleming*, 96 U. S. 245, 24 L. Ed. 828; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S. 537, 11 S. Ct. 396, 34 L. Ed. 997; *Elgin National Watch Co. v. Illinois Watch Case Co.*, 179 U. S. 665, 21 S. Ct. 270, 45 L. Ed. 365. But when it appears, we think that it has an important procedural result; a late comer who deliberately copies the dress of his competitors already in the field, must at least prove that his effort has been futile. *Prima facie* the court will treat his opinion so disclosed as expert and will not assume that it was erroneous. *Fairbank Co. v. R. W. Bell Mfg. Co.*, 77 F. 869, 877 (C. C. A. 2); *Capewell Horse Nail Co. v. Green*, 188 F. 20, 24 (C. C. A. 2); *Wolf Bros. & Co. v. Hamilton*, 165 F. 413, 416 (C. C. A. 8); *Thum Co. v. Dickinson*, 245 F. 609, 621, 622 (C. C. A. 6); *Wesson v. Galef* (D. C.), 286 F. 621, 626. He may indeed succeed in showing that it was; that, however bad his purpose, it will fail in execution; if he does, he will win. *Kann v. Diamond Steel Co.*, 89 F. 706, 713 (C. C. A. 8). But such an intent raises a presumption that customers will be deceived.”

Again, in *Photoplay Pub. Co. v. La Verne Pub. Co.* (C. C. A. 3), 269 Fed. 730, it is stated at page 733:

“. . . The question is: What is the commercial effort of what he is doing? If the effect is to pass off his goods for those of the complainant, his good intentions or honesty of purpose is not a defense. Intention, however, is not immaterial, for it would be difficult, though not impossible, for a defendant to satisfy the court that his fraudulent conduct would not have the effect that it was intended to have.”

To assume, from a casual examination of the names, that they do not look to be the same and therefore that the fraud intended will not be accomplished, “. . . ascribes to the originator of the scheme a lack of resource that is not deserved” (see *O. & W. Thum Co. v. Dickinson* (C. C. A. 6), 245 Fed. 609, 621); purposeful deception is hardly entitled to any such special favor.

As was said by Lindley, L. J., in *Slazenger & Sons v. Feltham & Co.*, 6 R. P. C. 531, at 538:

“. . . One must exercise one’s common sense, and, if you are driven to the conclusion that what is intended to be done is to deceive if possible, I do not think it is stretching the imagination very much to credit the man with occasional success or possible success. Why should we be astute to say that he cannot succeed in doing that which he is straining every nerve to do?”

We have perhaps belabored this point intensively enough. The Court’s memorandum opinion shows that it felt that the motion to dismiss submitted the case to it upon the affidavits as well as the complaint; were it not for this error, we do not think it reasonable to suppose

that there is any likelihood that the motion to dismiss would have been sustained. The decisions of the Supreme Court, which we have cited, show clearly enough that this understanding was incorrect. The sole question in this behalf before the court is, "Does the adoption of a name identical in part, dissimilar in part, and the use of similar advertising methods, with the purpose of causing confusion of goods and deception to the public, allow an injunction?" There can be no reasonable doubt as to the answer to this question.

D.

The Complaint States a Cause of Action: Under Its Terms Appellant Could Prove That Appellees' Acts Were Reasonably Likely to Cause Deception of the Public, Even If Not Fraud.

Under the law of California, as we have seen, appellant has the right to an injunction against the attempt, on appellees' part, to cause the public to believe that appellant's goods could be purchased at appellees' shop, and by mail order from appellees. But appellant's right to recover for fraud is not his only right, for if appellees' conduct is reasonably likely to confuse the public, appellant has the right to have that conduct enjoined, even if appellant cannot prove specific fraudulent intent.

In *Dodge Stationery Company v. Dodge*, 145 Cal. 380, 390, 78 Pac. 879, 883, the plaintiff, *Dodge Stationery Company*, obtained an injunction against the use by defendant of the name "*J. S. Dodge Company*." There was a contention made on the part of the defendant that there

was no actual fraudulent intent. The court, however, rejected this contention, making the following statement:

“It appears also to be immaterial in this connection whether or not such term, ‘Dodge,’ was used on the signs with actual fraudulent intent. If the natural and necessary consequence of said defendant’s conduct in this respect was such as to cause deception, said defendant, knowing the facts, must be held to the same responsibility even if it acted under the honest impression that no right of the plaintiff was invaded.”

And, in *Academy of Motion Pictures etc. v. Benson*, 15 Cal. (2d) 685, 691, 104 P. (2d) 650, 653, the court made the following statement (at 691):

“. . . The defendant has adopted a name which *prima facie* is broad enough in its concept to be mistaken by the ordinary unsuspecting person for the institution created by the incorporators of the plaintiff. The plaintiff has stated a cause of action which, if supported by proof, would entitle it to the relief sought, or which would require the defendant to alter her trade name by some designation calling attention to the limited scope of her school in order to prevent confusion with the institution or society represented by the plaintiff—as stated by Justice Holmes in *Herring-Hall-Marvin Safe Co. v. Hall’s Safe Co.*, 208 U. S. 554, 559 (28 Sup. Ct. 350, 52 L. Ed. 616), ‘so as to give the antidote with the bane.’” (Italics added.)

It will be observed that the standard employed is whether “an ordinary unsuspecting person” would be confused. If, therefore, the public is reasonably likely to assume any connection between the appellant and the appellee,

lees, the appellant will have its remedy. If the public, casual as it inevitably is with names, will assume that because of the similarity of the names, appellees are selling appellant's goods, appellant should have its remedy.

One entering an already occupied field must take care to avoid unnecessary adoption or imitation of a confusing name, label, or dress of goods.

Herring-Hall-Marvin Safe Co., v. Hall's Safe Co.,
208 U. S. 554, 28 S. Ct. 350, 352, 52 L. Ed. 616;

Coca-Cola Co. v. Nehi Corporation, (Del.) 36 A. (2d) 156.

Such danger of confusion exists here if the plainly pleaded facts are true. Appellant has specialized since 1900 in maternity clothes. It conducts an extensive mail order business throughout the United States. It maintains subsidiary stores in numerous cities through the east and middle-west United States. It has expended upwards of \$33,000,000 for advertising, and upwards of \$10,000,000 for advertising catalogues, more than 50,000 of which have been mailed in the past 10 years into California.

In advertising appellant has, necessarily, heavily stressed the word "Maternity," and constantly used the phrase "Mothers-to-be" in addressing its customers. Thus the words "Maternity" and "Mothers-to-be" are associated in the public mind with the name of the appellant, including the word "Lane." Similarly, appellees use the word "Maternity" together with the word "Lane" as their name. In advertising, appellees also use the phrase "Mothers-to-be." In all respects save one the combination of words used by appellees is identical with that used by the appellant. The only difference is that appellees do

not add the word “*Bryant*” to the word “*Lane*.” Appellant does not contend that it can have any exclusive right to the use of the word “Maternity,” or the use of the phrase “Mothers-to-be,” or the use of the word “*Lane*.” It is only the combination of these words which is deadly to appellant. The combination of “Maternity” and “*Lane*” in an intimate association means appellant to the public.

It is our belief that confusion between these combinations is not only possible,—it is highly probable.

Since the only question now at issue is whether the complaint states a cause of action, this need not be finally determined on this appeal. For certainly we are entitled to prove the likelihood, and, if we can, the actuality of such confusion.

E.

The Fact That Appellees’ Names Are “*Lane*” Does Not Aid Them.

No reluctance to reverse the trial court’s decision in this case should be occasioned by the fact that the individual appellees’ names are “*Lane*.” Their names are not “*Maternity Lane*” they are *Jack Lane, Jr.*, *Jane Lane*, and *Lucille Lane*. In selecting a name under which to do business, they did not emphasize the dissimilarity between their name and appellant’s, as would have been the case had they used any one of their individual names. Instead, whatever their intentions may have been, in fact they increased the danger of confusion by using merely the word “*Lane*” and coupling it with the word “*Maternity*,” which, while general, is very closely associated in the public’s mind with the word “*Lane*” in “*Lane Bryant*.”

Appellant has pleaded in its complaint that appellees' intent, in adopting this name, was to divert customers from appellant. Appellant is entitled to prove its allegation, for, as was said in *Jackman v. Mau*, 78 Cal. App. (2d) 234, 239, 177 P. (2d) 599, 602:

“. . . And the fact that defendant was using his own name does not shield him from injunctive action if such use is calculated to cause confusion or to deceive.”

The same result obtains if it be found, despite lack of fraudulent intent, that the names are sufficiently similar to cause confusion and injury.

In *Jackman v. Mau*, *supra*, the court, in part quoting *Hoyt Heater Co. v. Hoyt*, 68 Cal. App. (2d) 523, 527, 157 P. (2d) 657, 659, stated that:

“‘One must use his own name honestly and not as a means of pirating the good will and reputation of a business rival; and where he cannot use his own name without inevitably representing his goods as those of another he may be enjoined from using his name in connection with his business.’ Also, it is not necessary as a prerequisite to obtaining equitable relief in cases of this character that the names be identical. *It is sufficient if though not identical they are sufficiently similar as to cause confusion and injury.*’ (Italics added.)

And again, in the same case the court stated, 78 Cal. App. (2d) 240, 177 P. (2d) 603:

“. . . This doctrine (of unfair competition) rests on the basis of fraud and may be invoked when there is present an intent to deceive, *or the doing of things reasonably likely to deceive.*” (Italics added.)

Accord:

L. E. Waterman Co. v. Modern Pen Co., 235 U. S. 88, 35 S. Ct. 91, 59 L. Ed. 139;

Herring-Hall-Marvin Safe Co. v. Hall Safe Co., 208 U. S. 554, 559, 52 L. Ed. 616, 620, 28 S. Ct. 350.

And see:

Brooks Bros. v. Brooks Clothing of California, 60 Fed. Supp. 442, 449; affirmed by this Court, 158 F. (2d) 798.

II.

Appellant Stated a Cause of Action for Trade-Mark Infringement.

Appellant's name is regularly registered as a trade-mark under the laws of the United States. Paragraph VII of the complaint states:

“Commencing in 1911, ‘Lane Bryant’ was used in said business as a common law trade-mark. Application for registration thereof was filed in the United States Patent Office on October 20, 1927, and issued as trade-mark No. 238911 on February 14, 1928.”

The complaint further states that the acts of appellees which are complained of were done in violation of appellant's exclusive right to its trade-mark [paragraph XVI of Complaint, Tr. 7]. The complaint shows that appellant's business is one in interstate commerce, and that appellees have solicited mail order business for maternity apparel throughout the United States by means of an advertising program in nationally circulated magazines, using in its business the name “*Maternity Lane*.” [Complaint, par. XIII, Tr. 6.]

Under the Lanham Act, infringement of appellant's trade-mark by advertising is actionable. The Lanham Act, 15 U. S. C. A. section 1114 (1) provides as follows:

“Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this chapter,”

In determining whether or not there has been an infringement of appellant's trade-mark, the question is whether appellees' name, used as a trade-mark, is so similar to appellant's as to cause confusion. Thus, it is stated in section 717 of the *Restatement of Torts* that:

- “(1) One infringes another's trade name, if
 - (a) without a privilege to do so, he uses in his business, in the manner of a trade-mark or trade name, a designation which is identical with or confusingly similar to the other's trade name, though he does not use the designation for the purpose of deception, and”

In determining this question a mere examination of the two names, without the benefit of proof setting two names in their actual context of use, including to the extent possible, proof of the actual degree of deception, is always unsatisfactory. As was observed by Judge Stone in *S. S. Kresge Co. v. Winget Kickernick Co.* (C. C. A. 8th), 96 F. (2d) 978, at 987-988:

“. . . While trademark infringement issues may be presented and determined on the basis of a bare comparison of the marks, yet it is evident that an entirely different situation is presented where the court has not only the marks before it but evidence of actual experience in the trade in the use thereof. Whatever the conclusion of the Judge might be upon merely a comparison of the marks, clearly he must be governed by what he believes the evidence shows as to actual experience in the trade. It is the view of and effect upon the purchasing public which is determinative.”

Nims, in his text on *Unfair Competition* in Volume 2, section 320, at pages 1019-20-21 (4th Ed.), has well stated the reasons why this must be so:

“Courts have often considered the direct comparison of the articles the best test of similarity. ‘The eye, at a glance, takes in the whole of one exhibit and the whole of another; and the comparison thus made of the two is the surest, and the only satisfactory way of satisfying the judgment as to the existence of the alleged deceptive imitation.’ But the inadequacy of such a test is obvious, when one considers how seldom in actual purchase of goods the buyer has the opportunity of placing the various brands of

competing goods side by side and comparing them as carefully as does a judge in the judicial atmosphere of a court room.

“The test is *not* whether there is a difference which will be recognized, by the purchaser who sees the two competing articles placed side by side, but a difference which will be recognized by the consumer who has no chance to compare, when making his purchase. If the average buyer is likely to fail to distinguish the defendant’s name or mark from his memory or image of the plaintiff’s name or mark, which he carries in his mind, no infringement exists. ‘. . . it is not necessary that the resemblance should be such as would mislead an expert, or such as would not be easily detected if the original and spurious were seen together.’ . . .

“For these and other reasons, as said above, the side by side comparison in the court room is not a final test of similarity. The purchaser buying by mail, by telephone, has no chance to compare the plaintiff’s goods with the defendant’s. If he has one article before him, the best he can do is to compare it with his *memory* of the other.

Sir Wilfrid Greene, as Master of the Rolls, in criticizing the ‘ocular comparison’ test applied by the court below, said that it would ‘divorce the law of trade-marks from business realities.’

“Therefore, though the opinion of the court as to confusing similarity is controlling, and the articles themselves, and the trade-marks upon them, are the most important exhibits, these should be considered in the light of evidence as to the conditions under which the goods are sold and the habits of the purchasers of them.”

As was said in *William Waltke & Co. v. Geo. H. Schaefer & Co.*, (C. T. of Ap., D. C.) 263 Fed. 650, at 652:

“. . . Of course, if the intending purchaser could see both marks together, he would readily note the difference between them; but if, upon seeing only one, he must rely upon his memory of the other, he would not be likely to apprehend the distinction. He acts quickly and upon impression. He is governed by a casual glance. (Citations.) Under such circumstances he would be apt to mistake the one for the other, and thus would occur the confusion against which the statute is leveled.”

The names have to be considered in context, which can be done only on a trial. For this reason the variety of names, superficially dissimilar, which have been held to infringe are almost infinite. A few examples are “Knox-all” as against “Beats-All” (*American Lead Pencil Co. v. Gottlieb* (S. D. N. Y., 1910), 181 Fed. 178); “Cashmere Bouquet” as against “Violets of Cashmere” (*Colgate v. Adams* (Circuit Court, N. D. Ill. N. D.), 88 Fed. 899); “Inner Seal” as against “Factory Seal” (*National Biscuit Co. v. Swick* (W. D. N. Y., 1923), 121 Fed. 1007). And likewise, “Kiddy-Koop” and “Kumfy-Krib” (*Trimble v. Woodstock Mfg. Co.*, 297 Fed. 524 (W. D. N. Y., 1923); affirmed 297 Fed. 529 (C. C. A. 2), were held to infringe. If a further accumulation of cases can be of any service, a collection of about 100 cases in which differences and resemblances run the gamut is set forth at pp. 706 through 713 of the 4th Edition of *Nims, supra*. We do

not believe it worth while to weary the court by accumulating all these comparisons here.

Where, as in the present case, the names have a certain amount in common and a small amount of difference, a final decision should await full hearing on the merits, in which the court can determine as a fact on the evidence the actual danger of confusion. As *Nims* states (p. 706) in *Unfair Competition and Trade-Marks* (4th Ed.):

“. . . in almost every case there are facts outside of the words or devices which constitute the trade-marks, and outside of the nature of the goods, which are likely to have influenced the decision.”

In *Avrick v. Rockmont Envelope Co.* (C. C. A. 10th), 155 F. (2d) 568, this principle is strikingly illustrated. This was an action by the owner of the trade-mark “Sky Rite” for air mail stationery to enjoin defendant from using the words “Sky Mail” on its air mail stationery. There was a motion for summary judgment under Rule 56 of the Rules of Civil Procedure.

The trial court, although recognizing the rule that if a genuine issue of fact was presented by the record, the motion should be denied, concluded from a visual comparison of the products of the parties, that there was no close similarity, and granted the motion. The Circuit Court of Appeals reversed the District Court, even though it was inclined to agree that the two exhibits *were* so dissimilar that there was little probability of confusion. The allegations that the defendant intended to create confusion

and deceive purchasers created an inference of confusing similarity that the trial court must factually resolve.

In the language of the court (p. 573):

“While from a comparison of the two specimens side by side we think there is little likelihood that the ordinary purchaser, while exercising due care and caution, would be misled and deceived into accepting ‘Sky Mail’ as and for ‘Sky-Rite,’ we doubt the propriety of summarily deciding that question as a matter of law on this record. An expeditious disposition of cases is a cardinal virtue of the administration of justice, but it is not more important than one’s fundamental right to his full day in court. In cases of this kind where no single factor controls the equation, and the court is necessarily required to resolve the question of alleged intent in arriving at its judgment, we are of the opinion that justice can best be served by a trial of the question on its merits.”

This case, it will be observed, was submitted on pleadings, depositions and affidavits. If a full trial on the merits was necessary properly to determine the question of infringement, surely it is also required in the case at bar, in which the decision rests solely on the sufficiency of the complaint.

III.

The Trial Court Erred in Denying a Preliminary Injunction. The Trial Court Erred in Its Finding With Respect to the Preliminary Injunction.

The trial court ordinarily has a great deal of discretion in dealing with preliminary injunctions. Its decision to refuse such an injunction is ordinarily reversed only in an extreme case. The rule is subject to one sweeping exception. A ruling based wholly on a question of law receives no such special respect and, if the trial court is mistaken as to the law, its decision will of course be reversed.

Securities and Exchange Comm. v. Sunbeam Gold M. Co. (C. C. A. 9), 95 F. (2d) 699;
City of Covington v. Cincinnati N. & C. Co. (C. C. A. 5), 71 F. (2d) 117.

In this case the trial court's disposition of the motion for preliminary injunction did not and could not involve any actual discretion. There is no discretion where only one decision is possible, and the court, once it ruled in favor of the motion to dismiss, necessarily bound itself to deny the injunction. For a preliminary injunction is of course granted only to preserve the position of the parties pending a trial, and the decision that there could be no trial left no discretion to grant a preliminary injunction. This aspect of the case also must be controlled by the basic question, that is, whether the court erred in sustaining the motion to dismiss.

The applicability of the foregoing is not in the least altered because findings of fact and conclusions of law with respect to the denial of the preliminary injunction were made by the District Court. Nor is it of significance that those findings advert to various questions of fact just as if the trial court had exercised discretion. Since the trial court, by granting the motion to dismiss, made it impossible to grant a preliminary injunction, there were no such discretionary questions, and those findings of fact can be considered as no more than a hypothetical expression of opinion on questions which were not before the court. The courts of the United States are without jurisdiction to consider matters which are entirely moot.

We do not contend that this court should affirmatively decide that a preliminary injunction should be granted: we do contend that if the court erred in granting the motion to dismiss, the order denying the motion for a preliminary injunction was necessary consequence of that error, and should likewise be reversed, and the entire case remanded for further proper proceedings.

Conclusion.

Appellant appears on this appeal asking for its day in court, requesting merely that it be allowed the opportunity to prove the allegations of its complaint which, for purposes of this appeal, are admitted. If the judgment below is to be sustained, the necessary implication is that under the laws of California and of the United States it is not improper to utilize a name partially similar and partially different, with similar advertising, to that of another, with the intent to take the business of that other, and likewise that the entry of a new comer in a new field in which a competitor previously occupied a strong position, with a name confusingly similar to that of the previous occupant, may not be enjoined. We do not believe that confusion of goods has suddenly become permissible, nor do we believe that fraud has suddenly ceased to be objectionable.

Respectfully submitted,

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